GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7824
ANSWERED ON:17.05.2002
WHOLESALE AND CONSUMER PRICE INDEX
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Will the Minister of FINANCE be pleased to state:

(a) the details of wholesale and consumer price index of essential commodities during the last four months;

(b) the weekly rate of inflation on point to point basis during the above period;

(c) the reasons for constant increase in price index;

(d) the impact of increase in prices of petrol and petroleum products on the rate of inflation; and

(e) the steps taken by the Government to check the price rise and to contain inflation rate?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) The Wholesale Price Index (WPI) and the Consumer Price Index of Industrial Workers (CPI-IW) for the group of 30 essential commodities as also the inflation rates based on these indices during the last four months is indicated in table below.

WPI and the CPI-IW for essential commodities

	WPI (monthly average) (1993-94=100)		CPI-IW (1982=100)	
	Index	Inflation(%)	Index	Inflation(%)
2002				
January	163.9	1.61	438	3.79
February	166.2	3.55	436	4.31
March	168.3	4.21	438	4.53
April	168.6	2.99		

(b) WPI is computed on a weekly basis while the CPI-IW is brought out only on a monthly basis with a one-month lag. Annual point to point inflation rates based on these two indices during the last four months is indicated in the Statement 1 annexed.

(c) The WPI has risen by only 1.4% during the entire fiscal 2001-02 andfurther by only 0.2% during April 2002. At the retail level, the CP-IW increased by 5.2% during 2001-02.

(d) Low international prices of crude oil during much of 2001-02 kept domestic energy prices low during the 2001-02. Though international prices firmed up after February 2002, price rise of energy products has been contained so far even after the dismantling of the Administered Price mechanism from April 1,2002. Price rise in the fuel group based onthe Wholesale Price Index is currently only 3.9% and this group accounts for nearly 49% of the inflation rate.

(e) Government monitors continuously the demand and supply side causes of inflation very closely. Effective supply management policy ensures adequate availability of essential commodities of mass consumption at reasonable prices. The demand side measures to control inflationary pressures include bringing about greater fiscal discipline, and regular monitoring of monetised deficit and broad money (M3) growth.

Statement 1

Annual point to point Inflation Rates based on the WPI and CPI(IW)

	WPI(1993-94=100)			CPI (1982=100)	
	Index	Inflation(%)		Index	Inflation(%)
2002					
January	467	4.9	5-Jan-02	161.4	1.89
12-Jan-02	161.3	1.57	19-Jan-02	160.8	1.39
26-Jan-02	160.6	1.26			
February	466	5.2	2-Feb-02	160.6	1.13
9-Feb-02	160.6	1.20	16-Feb-02	160.9	1.51
23-Feb-02	161.0	1.58			
March	468	5.2	2-Mar-02	162.0	1.95
3/9/2002+	161.5	1.51	3/16/2002+	161.5	1.44
3/23/2002+	161.6	1.44	3/30/2002+	161.4	1.38
April					
4/6/2002+	161.7	1.25	4/13/2002+	162.0	1.25
4/20/2002+	162.4	1.44	4/27/2002+	162.5	1.56

+ Provisional